Marine and Rail Oil Transportation Study

Presented by Scott J. Ferguson
Spill Prevention, Preparedness, and Response Program
Department of Ecology
2014 Legislative Session

Two Competing Bills plus a third:

- **Senate Bill 6524** - Safety of the transport of liquid bulk crude oil

- **House Bill 2347** – Oil Transportation Safety

- **Senate Bill 6582** – Combined these two with rail tax
Marine and Rail Oil Transportation Study

2014 Legislative Session

**Senate Bill 6524** – Study the emergency response and prevention programs and activities for spills from railcars transporting oil with a focus on high hazard areas where emergency response equipment can be strategically placed for use by governments or other emergency responders.
House Bill 2347 – Study prevalence of oil transportation by railcar through Washington communities, identify the communities at the greatest risk of an accident involving oil by rail, and determine the extent to which state and local emergency response addresses oil by rail.
Governor’s Supplemental Budget – ESSB 6002

• $300,000 of the state toxics control account - state appropriation is provided solely for the department to conduct a study of oil shipment through the state.
• The purpose of the study is to assess public health and safety as well as environmental impacts associated with oil transport.
• The study must provide data and analysis of statewide risks, gaps, and options for increasing public safety and improving spill prevention and response readiness.
Marine and Rail Oil Transportation Study

WA GOVERNOR’s Directive 14-06, June 11, 2014

• Characterize risk of accidents along rail lines.

• Review state and federal laws and rules with respect to rail safety and identify regulatory gaps.

• Assess the relative risk of Bakken crude with respect to other forms of crude oil.

• Identify data and information gaps that hinder improvements in public safety and spill prevention and response.

• Begin development of spill response plans for impacted counties.

• Identify potential actions that can be coordinated with neighboring states and British Columbia.

• Identify, prioritize, and estimate costs for state actions that will improve public safety and spill prevention and response.

• For Governor’s 2015-17 budget propose funding strategy.
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Agency Partners

• Military Department, Emergency Management Division
• Washington State Utilities and Transportation Commission
• Washington State Department of Transportation
• Federal Railroad Administration & PHMSA
Marine and Rail Oil Transportation Study

Geographic Scope

- Marine
  - Puget Sound, Grays Harbor, and Columbia River. Also WA Coast
- Rail
  - Entire oil transportation corridor
<table>
<thead>
<tr>
<th>CBR Owner or Proponent</th>
<th>Location</th>
<th>Facility type, type of system, # of offload stations, throughput, new storage if any</th>
<th>Status</th>
<th>Trains Offloaded at Facility/Train Trips In and Out per day</th>
</tr>
</thead>
<tbody>
<tr>
<td>BP</td>
<td>Cherry Point</td>
<td>Refinery, Loop, 52 offload stations, ~146,000 bpd, no new storage</td>
<td>Receiving oil by rail as of 12/26/13. Whatcom Co. issued MDNS for rail expansion.</td>
<td>1/2 (in-operation)</td>
</tr>
<tr>
<td>Imperium</td>
<td>Grays Harbor</td>
<td>Terminal, ladder, Number of offload stations not identified in SEPA checklist, ~75,000 , up to 9 new tanks.</td>
<td>Existing biodiesel facility proposed to add CBR capability and additional liquid storage. Summary judgment remanding MDNS back to Ecology and City of Hoquiam by the SHB 11/12/13.</td>
<td>1/2</td>
</tr>
<tr>
<td>NuStar</td>
<td>Vancouver</td>
<td>Terminal, single track, 4 existing offload stations, possible expansion to 12 stations, ~41,000 bpd, convert existing tank for crude storage.</td>
<td>Proposal to convert 120,000 bbl methanol tank to crude oil tank and add rail offload capability. Ecology submitted comments on environmental checklist to SWCAA 2/6/14.</td>
<td>.3/.6</td>
</tr>
<tr>
<td>Phillips66</td>
<td>Ferndale</td>
<td>Refinery, ladder, 54 offload stations, ~75,000 bpd, no new storage</td>
<td>In construction with completion anticipated 4th qtr 2014. Whatcom Co. issued MDNS 4/29/13 for rail expansion.</td>
<td>1/2</td>
</tr>
<tr>
<td>Shell</td>
<td>Anacortes</td>
<td>Refinery, Ladder, ~75,000 bpd, new storage unknown.</td>
<td>Expansion proposed. SEPA process underway.</td>
<td>1/2</td>
</tr>
<tr>
<td>Targa Sound</td>
<td>Tacoma</td>
<td>Terminal, Ladder, 12 existing offload stations, 36 planned, ~75,000 bpd, 2 new tanks, 2 existing tanks modified.</td>
<td>DNS issued 12/2013 for rail expansion by City of Tacoma. Still completing permitting.</td>
<td>1/2</td>
</tr>
<tr>
<td>Tesoro</td>
<td>Anacortes</td>
<td>Refinery, Ladder, 100 offload stations, ~75,000 bpd, no new tanks.</td>
<td>Receiving Bakken oil since 9/2012. Skagit Co. issued MDNS 10/2011 for rail.</td>
<td>1/2 (in-operation)</td>
</tr>
<tr>
<td>Tesoro-Savage</td>
<td>Vancouver</td>
<td>Terminal, loop, 90 offload stations, ~292,000 bpd, 6 new tanks.</td>
<td>Proposed new site. EFSEC is SEPA lead. In EIS process</td>
<td>4/8</td>
</tr>
<tr>
<td>US Development</td>
<td>Grays Harbor</td>
<td>Terminal, Ladder, No information on system capabilities</td>
<td>Proposal still in discussion phase.</td>
<td>2/4</td>
</tr>
<tr>
<td>US Oil</td>
<td>Tacoma</td>
<td>Refinery, ladder, 64 existing stations, adding 48 additional stations, ~48,000 bpd, no new storage.</td>
<td>Receiving oil by rail at 60 stations as of 4/13. Permitting underway for project to increase the size of the rail facility. Construction expected in late 2014.</td>
<td>0.5/1 (in-operation)</td>
</tr>
<tr>
<td>Westway</td>
<td>Grays Harbor</td>
<td>Terminal, Ladder, 18 existing offload stations, planned increase to 76 stations, ~75,000 bpd, 4 new tanks.</td>
<td>Existing methanol terminal proposed to add CBR capability. Summary judgment remanding MDNS back to Ecology and City of Hoquiam by the SHB 11/12/13</td>
<td>1/2</td>
</tr>
<tr>
<td>TOTAL</td>
<td>State</td>
<td></td>
<td></td>
<td>13.8/27.6</td>
</tr>
</tbody>
</table>
Marine and Rail Oil Transportation Study

Study Outline

- Current Oil Transportation Picture
- Anticipated Changes to Transportation Picture
- Current Safety Picture
- Anticipated Changes to Safety Picture
- Gap Analysis
- Recommendations
- Risk Communications Strategy
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Deliverables

September 1 – Preliminary Findings
August & September* – Stakeholder Meetings
October 1 – Draft Interim Report to Governor
November 1 – 2\textsuperscript{nd} Draft of Interim Report
December 1 – Interim Report to Legislature
March 1, 2015 – Final Report to Legislature

*Outreach throughout process and beyond
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WA Utilities and Transportation Commission

• Working Rail and Public Safety Side of Study; include road crossings
• Expect to have report complete late July 2014 for larger Study report
• Looking at things Rail include road crossings
• Robust internal organization on topic
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Military Department
Emergency Management Division
Roles
Emergency Management Division

• EMD to reach out to and collect data from partners:
  • State Emergency Response Commission
  • Tribes
  • Local Emergency Planning Committee
    • Fire Departments and other Responders to include HazMat Teams
  • State and Local Departments of Transportation
  • State and Local Department Public Works
  • Other Subject Matter Experts
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Emergency Management Division Deliverables

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 13</td>
<td>Hazard Description</td>
</tr>
<tr>
<td>August 25</td>
<td>Plan review and survey results</td>
</tr>
<tr>
<td>October 14</td>
<td>Recommendations for Interim Report</td>
</tr>
<tr>
<td>November 30</td>
<td>Input for Final Report</td>
</tr>
</tbody>
</table>
Outreach Campaign

• Role in the Study?
• Committee Work Group involvement?
• August & September workgroups to walk through/advise report content and early findings and recommendations. All to inform 1 Oct report to Governor
• October/November physical and social media outreach before submit Interim to Governor/Legislature by 1 Dec deadline?
• January/February stakeholder work session as we hone in on a Final Report due 1 March 2015
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More Information:

Questions?